



Pend Oreille County Assessor's Office

Why Annual Revaluation

What is the assessor's job?

- Washington State Law requires that assessors:
 - Assess all real and personal property in the county at 100% of true and fair market value in money, unless specifically exempted by law.
 - Fair market value is the amount that a willing and unobligated buyer is willing to pay a willing and unobligated seller.

Scope

- The listing of all taxable real and personal property within the geographic boundaries of Pend Oreille County are within the office's jurisdiction, including property within incorporated cities.

Real Property

- Includes land, improvements to land, structures, and certain equipment fixed to structures.
- Assessor values property using one or more of the following methods:
 - Market or sales comparison
 - Cost approach
 - Income approach

Personal Property

- The primary characteristic of personal property is mobility.
- Personal property includes furnishings, machinery and equipment, fixtures, supplies, and tools.
- Most personal property owned by individuals is specifically exempt.
- If these items are used in business, personal property tax applies.

What else is the assessor's office responsible for?

- Administration of exemption programs such as senior citizen and nonprofit.
- Administration of special programs such as Open Space and Historical Restoration.
 - (Farm and agricultural, Open Space, and General)
- Administration of levy process.

History of Significant Changes in the Property Tax System

- Revaluation Act of 1955
 - Property revaluation cycle established at a 4-year interval.
- 1971: RCW 84.41.041 & WAC 458-07-015
 - Legislation allowing annual updates without physical inspection if appropriate statistical data is available.

History - continued

- 1982: Additional law changes
 - Allowed counties with an annual revaluation plan to lengthen the period between inspections from once every 4 years to at least once every 6 years.
- 1995-2008: Advances in technology
 - Many assessor's offices switched from a paper environment to a PC environment and implemented Computer Assisted Mass Appraisal Model (CAMA) systems and other technology that will allow assessors to change from a 4-year revaluation cycle to an annual cycle.

- ??? Why Annual Revaluation You Ask???

Previous Assessment Cycle

- 4-year Revaluation Cycle 2006-2010.
- County was divided into four areas.
- Each area was inspected and revalued once every four years.
- This resulted in different levels of assessed values for each revaluation area.
- Distribution of some tax levies was not at the same level.

Annual Revaluation

Frequently Asked Questions

- Why is Pend Oreille County changing from a 4-year revaluation cycle to an annual cycle?
- How will it impact the property owners and taxpayers of Pend Oreille County?
- How will it affect my individual property?
- Does annual revaluation mean more taxes for Pend Oreille County.

Benefits of Annual Reval

- Uniformity
 - All property is closer to market value.
- Level of Assessment
 - Tax responsibility is distributed more equitably.
- Predictability
 - Helps taxpayers and taxing districts.

Uniformity

- All property is assessed at market value every year.
- Particularly important if market values begin to decline.
- Assessed values are not “fixed” for four years.

Level of Assessment

- Tax responsibility is distributed more equitably.
- Particularly important for countywide levies such as the :
 - State school levy
 - County levies
 - Other levies that cross area boundaries

Predictability

- The large increases in assessed values that result from a 4-year cycle are:
 - Difficult for taxpayers to accept.
 - Misunderstood. (Stakeholders believe that a 30-35% increase in assessed value must equal 30-35% increase in taxes.)
 - Causing an area that has just been revalued to carry a larger share of some taxes than the other 3 areas.

Annual Revaluation Still Subject to Tax Limits

- Statutory Rate Limit
 - Limits regular levy of each taxing district.
- \$5.90 Limit
 - Aggregate regular levy rate of all senior and junior taxing districts cannot exceed \$5.90.

Annual Revaluation Still Subject to Tax Limits

- 1% Constitutional Limits
 - State Constitution limits the regular (non-voted) combined tax rate to 1% (\$10 per \$1000) of assessed value.
- Initiative 747
 - Taxing district's regular levy is limited to 101% of the highest levy since 1985, plus amounts attributable to new construction. Prior to I-747 this was 106%.

Initiative 747

- I-747 limited the amount a taxing district may levy, but it did not affect assessed values.
- Some taxing districts may have “banked levy capacity” that allows them to increase their budgets more than 1%.
- Voter-approved special levies are not affected by the \$5.90 limit, the 1% limit, or I-747.

Does annual revaluation mean more taxes for Pend Oreille County?

- No.
- Pend Oreille County will not receive more property taxes by changing to an annual revaluation process.
- The levy rate will decrease as a result of the assessed value increasing.

Will annual revaluation help any taxing district collect more tax?

- Possibly. If a district is at it's statutory limit.
 - For example: A Fire District is at their limit of \$1.50 and as a result cannot increase their budget by the 1% allowed by I-747. If the district's value increases enough to lower their rate to less than \$1.50, it would allow the district to ask for the additional 1% they would not have received without the new assessment.

Annual Revaluation -

A goal we want to work toward

- Standards, Accountability, and Reorganization
 - Improving our level of accuracy on property characteristics.
 - Improving our review process.
- Using technology
 - GIS (Geographic Information System)
 - Computerized mapping.
 - Color aerial photos.
- CAMA (Computer assisted mass appraisal)
- Laptop/table computers for field appraisers

Annual Revaluation Plan

- Starting in 2011, revaluation will be done annually.
- Each year, 1/4 of the property in the county will be physically inspected and updated to market value.
- All property that is not physically inspected must be statistically updated annually.
- New 2011 assessed value will be used to calculate taxes owing in 2012.